BC Games Society
Annual Report
2012 - 2013

BC GAMES

BRITISH
COLUMBIA

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1. Message from the Chair to the Minister Responsible

Culture and sport partnered with great success when Surrey hosted the BC Summer Games from July 19 to 22, 2012. With their annual Fusion Festival as the backdrop to the Opening Ceremony, 3,079 athletes, coaches, and officials marched into Holland Park with thousands more family and friends cheering enthusiastically as the Surrey 2012 BC Summer Games were officially opened.

The parade of participants included dancers and banner carriers from many of Surrey's cultural communities. As the cultural extravaganza of Fusion Festival highlighted dance, song, and food, the Games showcased the next generation of BC's future stars, including many who will compete at future Canada Games and Olympic/Paralympic Games. Among the athletes competing, was the W.R. Bennett Award for Athletic Excellence Award winner, Chanell Botsis of Coquitlam. Chanell took home three gold medals in Athletics, and set a new BC Games record in javelin. The straight "A" student is a member of Richmond's Kajaks Track and Field Club, and came to her first Games looking for a 'personal best'. She credited her mom and coaches as the biggest influences in her life and her athletic success.

By crediting her volunteer coaches for her success, this young woman pointed to one of the key reasons the BC Summer Games enjoyed such great success. Ms. Botsis' community-based coach was one of hundreds who helped groom athletes hoping to compete at the Games; they are part of a successful network of Provincial Sport Organizations, all volunteer-driven who work diligently to ensure their given sport is as successful as possible. The BC sport sector recognizes that BC Games are an important milestone for athletes, coaches and officials as they strive to improve their skills and/or move to higher levels of competition. As such, we and sector partners work together to increase participation and excellence in our respective areas.

While the athletes, coaches, and officials each went into Surrey with the spirit and support of their community behind them, they were greeted by the tireless work and countless hours of planning and preparation dedicated by their 2012 BC Summer Games' host organizing committee. Led by Surrey's *Citizen of the Year 2011*, Bill McNamara, and Councillor Linda Hepner, the 18-person Board was responsible for the care and feeding, transportation, accommodation, entertainment, and each of the 22 sport competitions over the four days of the Games. This Board in turn recruited 2,850 volunteers to ensure the 32,000 meals were prepared, that the Games bus schedule – the fourth largest bus system in BC on that weekend – ran on time, and the competition results were distributed to provincial media in a timely manner. One volunteer said, "I had a blast volunteering for the BC Summer Games this year. I met some awesome people and reconnected with others I worked with on the Langley 2010 BC Summer Games. I would do it again in a heartbeat." This type of comment is typical of a BC Games volunteer, and one that we, as an organization take great pride in. Providing volunteers with the highest standards of event management guidelines and information, training them to carry out their respective tasks, leaves each volunteer with additional or enhanced career and volunteer skills to further enrich their community.

Clearly the volunteers leverage the investment of $620,000 made by the BC Games Society on behalf of the Ministry of Community, Sport and Cultural Development, and ensure the money is spent on delivering the best Games experience for participants and indeed, the entire community. Surrey volunteers further supported the initial investment through the City of Surrey's commitment of $45,000 cash, and $45,000 value in-kind into their operations. Area businesses provided a further $426,278 of cash and value in-kind, recognizing this grassroots investment would provide significant dividends to their community. The Games $771,000-budget and that of the participants and visiting families and guests contributed to an

approximate economic impact of $2.6M to the local economy[1]. Local business support of the Games and souvenir sales allowed for a local legacy of $139,517, which is being reinvested into sport and community related projects to better support sport, disadvantaged youth, and sport tourism.

The BC Summer Games was a further catalyst for development and improvement as the City of Surrey invested significantly in refurbishment and construction of local sport infrastructure in preparation for the Games arrival. In addition to the operations budget, the Games benefitted from more than $600,000 provided by the City of Surrey in capital construction including a resurfaced Bear Creek Park track and new infields at South Surrey Athletic Park, while the residents of Surrey will continue to enjoy these lasting improvements, upgrades and new construction.

When one thinks of the BC Games, it is generally thought of as a four-day event of competition. As is noted in this address to our Minister, the BC Summer Games are clearly a catalyst for change and improvement, capacity building and pride, while providing legacies for years after the last medal has been awarded.

The BC Games Society and our BC Summer Games would not be as successful without the support and commitment of our Ministry. Minister Bill Bennett, and his recent predecessor, the Honourable Ida Chong were very involved in our work this past fiscal year, and for their confidence in us, we are grateful.

As Chair, I am very appreciative of the work of my Board colleagues and the professionalism of the staff under the leadership of President and CEO, Kelly Mann. Through policy and practice, the BC Games Society continues to raise the bar on event management while ensuring the maximum opportunities for community and sport are achieved through our Games. I am so proud of our work, and look forward to the year ahead.

The 2012 / 2013 BC Games Society Annual Report was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The Board accountable for the contents of the report, including what has been included in the report and how it has been reported.
The information presented reflects the actual performance of the BC Games Society for the twelve months ended March 31, 2013 in relation to the service plan published in February 2012.

The Board responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion.

All significant assumptions, policy decisions, events and identified risks, as of May16, 2013, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures or targets made since the 2012/13 – 2014/15 service plan was released and any significant limitations in the reliability of data are identified in the report.

Respectfully submitted,

Cathy Priestner Allinger

Cathy Priestner Allinger
Chair, BC Games Society

[1] based on the 2008 study of the Kelowna BC Summer Games

2. Organizational Overview

The Purpose of the BC Games Society is:

> To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is to:
>
> - motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity;
> - encourage and motivate athletes, coaches, and officials to attain a higher level of skill and competitive achievement;
> - organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system;
> - provide each hosting community with a legacy of experienced volunteers and facility improvements;
> - share the spirit of the Games with British Columbians of all regions of the province; and
> - celebrate the community.

The BC Games Society (Society) was established in 1977 to provide community and sport development opportunities across BC. The Society is included in the public accounts of the Government of British Columbia and is a service crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the *Society Act of British Columbia* in 1987 to provide event management leadership to achieve sport, individual, and community development.

The BC Games Society office is located at 200 -990 Fort Street in Victoria, BC.

Since 1978, the BC Games Society has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software, and financial resources to each of its Games hosts. These host communities then form separate not-for-profit societies for the three-year cycle of their Games management.

Provincial funding for the BC Games Society is provided through a *Transfer Under Agreement* signed by the Sport Branch of the Ministry of Community, Sport and Cultural Development.

The core business of the BC Games Society is the event management of the BC Winter and BC Summer Games – that is, through guidelines, policies and standards and BC Games event managers' expertise, key volunteers are trained and guided through the successful planning, preparation and delivery of a major event.

The BC Games Society also provides accountability oversight of the Province's grant to the host community and is responsible for athletes' travel to and from the Games. It is these two responsibilities that also account for a major part of the Province's financial support of BC Winter and Summer Games.

Through an annual service contract with the BC Seniors Games Society, the BC Games Society also provides event management services to the annual BC Seniors Games.

Communities across the province embrace the BC Games as an opportunity to highlight their citizens, facilities, and hometown pride to the rest of BC. While the BC Games are a four-day celebration, the legacy of these multi-sport events carries forward in new and improved facilities, enhanced volunteers skills, and economic impacts resulting from participant and visitor spending, and legacy investments.

Key partners and stakeholders include provincial and multisport organizations, corporate partners, civic governments, school districts, host societies and their local supporters and volunteers, athletes and coaches.

MISSION, VISION, VALUES

Mission

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

Vision

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

Values

Values that underpin how we interact in our relationships:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.

- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.
- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

3. Corporate Governance

The BC Games Society, as a Service Crown Agency, is responsible to the Minister of Community, Sport and Cultural Development.

A fifteen-member community-based Board of Directors, appointed by Ministerial Letter, sets the strategic direction of the BC Games Society, in partnership with the provincial sport sector, and approval of the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by *Best Practice Guidelines for Governance and Disclosure for Governing Boards*.

The Society receives its core funding through a Transfer under Agreement with the Sport Branch of the Ministry of Community, Sport and Cultural Development.

The Board of Directors' guiding principles are:

- Accountability and Performance
- Openness, Trust and Transparency
- Stewardship, Leadership and Effectiveness
- Clarity of Roles and Responsibilities
- Service and Corporate Citizenship
- Value, Innovation and Improvement

Board Members and Committees

Cathy Priestner Allinger, Chair, West Vancouver
Sharon White, Provincial Government, Victoria
Susan Archibald, North Vancouver
Dena Coward[2], Vancouver
Anoop Sharma[3], Vancouver
Sue Bock, Trail
Moira Gookstetter, Vancouver
Kjeld Brodsgaard, Victoria
Wade Loukes, Prince George
Jamie Choi, Vancouver
Renee McCloskey, Prince George
Byron McCorkell, Kamloops
Dorothy Paul[4], Brentwood Bay
Byron McCorkell, Kamloops
Donna Mihalcheon, Vernon

[2] resigned effective April 2012 – relocated to Ontario
[3] term concluded January 2013
[4] term concluded January 2013

Committees of the Board

Finance – responsible for the review of all financial reports, audited statements and supporting financial materials in order to make recommendations to the Board.

Jamie Choi, Chair
Susan Archibald
Byron McCorkell
Anoop Sharma
Sharon White

Sport – reviews and recommends to the Board, sports and communities for inclusion in the BC Winter and Summer Games.

Wade Loukes, Chair
Kjeld Brodsgaard
Dena Coward
Moira Gookstetter
Dorothy Paul

Marketing and Communications – assists in the development of the strategic direction for marketing the BC Games, as well as recommending options for Corporate Partner benefits and acquisition.

Renee McCloskey, Chair
Susan Archibald
Sue Bock
Sharon White

Complete biographies on Board members and Board policies are available on our website. The BC Games Society complies with the provincial government's Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations.

http://www.bcgames.org/dotnetnuke/AboutUs/BoardGovernance/tabid/119/Default.aspx

4. Report on Games Performance

Bringing the business community to aid in the success of the BC Winter and BC Summer Games is critical as their support contributes significantly to the overall success of each Games, while ensuring government's investment is maximized. In support of our core business, it is important that the operations of the Society are supplemented through corporate partner investment. The goals, measures, objectives, and targets identified in this annual report acknowledge the need to ensure financial stability of our organization.

By establishing the BC Winter and BC Summer Games as a focal point for athlete and coach development, it is important that we measure benchmarks in the successful progression of athletes and coaches. This annual report also highlights success in this area.

The City of Surrey dispelled the myth that the BC Summer Games would not resonate with the community, given the large size of this municipality. Quite the contrary, the Games were the showcase of the summer thanks in large part to the passion of the Board of Directors, and the additional support of various city departments. Under the Board's leadership, city staff created a visual identity for the Games never before seen. From street banners and bus shelters, to facility graphics and venue signage, citizens and guests alike found the Games to be a focal point for their sport entertainment.

Partnering too with the annual Fusion Festival, took advantage of entertainment, sound, and light to create the best Opening Ceremony in Games history. People attending the Fusion Festival were treated to a colourful opening, while our Games guests were genuinely enthused by the myriad of cultures on display at the festival.

As was noted in the Chair's message, Surrey truly embraced the BC Summer Games, investing thousands of dollars in advance of the Games, and then volunteering in support of Games related-operations. Surrey's sport infrastructure allowed for three large hubs of activity, creating festival-like atmospheres at each.

With 2775 athletes and coaches competing in 20 sports, the provincial sport system was very well-represented, with several sports bringing 100% of their eligible athletes. Once again quality coaching supported these young athletes, with 92% of the head coaches being trained to the BC Games Society standard of National Coaching Certification Program Level II. Kristine Chambers, a triathlon coach at the Surrey Games, sees the BC Summer Games as 'an opportunity to experience the reality of high level competition in a setting that may be outside of an athlete's comfort zone.' She also firmly believes that any sport can assist a young person in gaining a greater respect for all abilities, while learning the importance of fairness and encouragement in competition.

Many sports use the Games as an opportunity to develop their officials. British Columbia Golf sees the BC Games as an excellent training ground to mentor and develop Level 2 and Level 3 Rules officials. At the Games they get much-needed on-course training (which is a requirement to become fully certified – Level 2 need 10 hours on course and 50 hours are required by Level 3); the BC Summer Games gives officials more in-depth experience at a Learn to Compete stage competition. For Baseball, the BC Games provide the opportunity for officials' evaluations and in some cases the last piece to earn officials their level 3 certification. For Lacrosse, the BC Summer Games is a reward for officials who have performed well during regular seasons play and throughout provincials. The officials at the 2012 BC Summer Games were evaluated and competed to be selected to officiate at the

2012 Female Bantam and Female Midget Nationals, bringing the best officials and evaluators to the Games.

There are many examples of BC Games athletes who have gone on to find great success in their sport. In Towed Water Sports, Shawnigan Lake's Jed Leech, 16, was scouted by the National Coach at the 2010 Games and soon became a member of the National Development Team. After the 2012 Games, he competed at the Nationals Championships in Calgary capturing two Gold medals, one each in Trick and Jump, in the Junior Men's division. And alumni also take the time to inspire the next generation of athletes. Golfers Anica Yoo (Bronze medalist in 2008) and Soo Bin Kim (Gold medalist in 2008), who have both gone on to great success at the Canada Summer Games and other competitions, came out to cheer on the athletes at the 2012 BC Summer Games, attending part of the competition to support and encourage the next group of athletes.

RISK AND SENSITIVITIES

During the period covered by this Annual Report, the BC Games Society provided event management services to host communities to deliver the Greater Vernon 2012 BC Winter Games, Surrey 2012 BC Summer Games and Burnaby 2012 BC Seniors Games. The Society worked with host communities to plan for the Kamloops 2013 BC Seniors Games, Mission 2014 BC Winter Games and Nanaimo 2014 BC Summer Games.

The BC Games Society relies on third-party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and training of attending coaches and officials is the responsibility of the participating Provincial Sport Organizations (PSOs). Their successes in recruitment and training are reflected in our statistics pertaining to athletes and coaches. While the BC Games Society provides the Games as an opportunity for athlete, coach, and officials' development, the onus is on the Provincial Sport Organizations to make the most of this event to help develop their sport.

The BC Games Society is staffed by nine full-time employees, five of whom spend significant periods of time travelling to the host communities in support of volunteers. Three administrative staff assists in their work, and aid the functions of the President and CEO's office and the Board of Directors. Our Guidelines for the Host Community, an on-line Transfer of Knowledge resource exclusive to the BC Games Society, empower the volunteers with tasks, timelines, and samples, meaning that staff time is maximized, and any one manager can provide assistance to possibly as many as six communities concurrently.

As noted in the results on the following pages, the BC Games Society was able to meet its objectives. These results further express the value of the BC Games in sport and community development. The BC Winter and BC Summer Games continue to provide opportunities for provincial and multi-sport organizations to align participation and competition with the Canadian Sport for Life approach. Through our actions, the Board and staff of the BC Games Society remain committed to joining its numerous partners in sport and recreation in furthering positive health, social, and economic outcomes for the Province of BC and its citizens.

While able to provide for a modest surplus in this past fiscal year, the BC Games Society is aware of escalating costs outside of its control. Lease costs, insurance premiums, air and bus travel for our participants to attend the BC Games, as well as service contract commitments all contribute to potential cost pressures.

Outside of the objectives reported in the following pages, BC Games Society also:

With respect to Partner Games:

- provided event management services to the Burnaby 2012 BC Seniors Games which involved 3572 participants and 1897 volunteers, and to the Host Society preparing for the Kamloops 2013 BC Seniors Games which anticipates 3600 participants and 1800 volunteers for August 2013.

With respect to Hosting BC:

- as part of a sector-wide reorganization, the Hosting BC grant program was transitioned to viaSport in April 2012. Society staff still supports the program through membership on the review panel, and the recruitment of independent, knowledgeable volunteers to sit as grant adjudicators.
- managed the www.hostingbc.ca website – a 2010 Olympic and Paralympic Winter Games legacy which links communities' hosting capabilities to national and international events

With respect to Volweb.ca:

- managed the volweb.ca website – also a 2010 Games' legacy which matches volunteers with volunteer opportunities.

5. Benchmarking

The BC Games Society initiated a survey of the Provincial and Territorial Games across Canada to compare programs and service delivery (April 2011). Provincial and Territorial Games programs vary with population size and provincial investment however; there is consistency across the Games to align with the Canadian Sport for Life Framework in the Learn to Train / Train to Train phase of development. The BC Games moved to this model in 2000, and has complete compliance with the Provincial Sport Organizations involved in the Games. While other Provincial Games believe in the model, there is inconsistent compliance and implementation through their provincial sport systems.

Identifying Provincial Games at the Learn to Train / Train to Train phase of development, places the events as a stepping stone towards higher levels of competition such as the Canada Games. Currently, the BC Games Society and the Saskatchewan Games Council are the only organizations to track the progression of alumni. At the 2011 Canada Winter Games 57% of Team BC were BC Games alumni compared with only 30% of Team Saskatchewan having attended the Saskatchewan Games. Anecdotally, we know that Team Ontario is comprised of 40% of Ontario Games alumni.

Comparing coaching certification standards shows that the BC Games require the highest level of certification (NCCP Level 2 or equivalent) matched only by the Ontario Games. Setting and meeting standards and performance measures raises the bar for coach development in B.C. and helps builds these resources for communities across the province.

While other statistical benchmarks have not been established, the BC Games is considered a leader in its program and service delivery as evidenced by formal and informal knowledge transfer requests from other events and jurisdictions. The work the BC Games Society has done with the 2011 Western Summer Canada Games and will continue to do with the 2015 Canada Winter Games reinforces our standing as event management leaders.

6. Alignment with Government's Strategic Plan

The BC Games Society supported Government's priorities (e.g. support for families, jobs, open government) as identified in their Strategic Plan by providing opportunities for sport involvement, equipment and facilities upgrades, economic development, new or enhanced job skills for volunteers and ensuring Games' financial and human resources practices are available to the general public Similarly, the Ministry's BC Sport Strategy goals of increased sport participation, excellence and event hosting were supported through providing an "arena" in which all three could be showcased and enhanced.

Additionally, the BC Games Society implemented the direction given through the 2012 Government's Letter of Expectation (GLE), signed in partnership with the Ministry, as follows:

Direction	*Response*
A. Continue to plan for and operate, in alternate fiscal years, a BC Summer Game and a BC Winter Games.	A. Ongoing. Currently preparing for 2014 BC Winter Games in Mission (which will be hosted during the term of this GLE) and 2014 BC Summer Games in Nanaimo.
B. Continue to align BC Summer and Winter Games with Canadian Sport for Life goals and objectives and contribute to provincial and sector goals to increase participation and achievement in sport.	B. Ongoing. BC Summer and Winter Games age categories for sport are aligned with the long-term athlete development pathway and general sport participation goals are promoted for all ages and ability.
C. Deliver and/or provide expertise into provincial hosting and volunteer programs.	C. BC Games staff provided event management services in the preparation and/or delivery of the 2013 BC Seniors Games and 2014 BC Seniors Games. Ongoing. BC Games is managing the www.volweb.ca and www.hostingbc.ca websites.
D. Provide advice and expertise in support of the delivery of the Prince George 2015 Canada Winter Games.	D. Signed first ever agreement between a Canada Games and a provincial Games organization to share resources and information; reduce budgets by sharing physical sport infrastructure and equipment; cross-promotion through communication and events.

The entire GLE may be read at www.bcgames.org under "About Us."

GOAL 1 – EFFECTIVE MANAGEMENT OF BC WINTER GAMES, BC SUMMER GAMES AND PARTNER GAMES

Objectives

In partnership with the Surrey 2012 BC Summer Games and Mission 2014 BC Winter Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.

Key Strategies

Provide concise written online materials to support the volunteers in creating quality BC Games.
Promote PSO's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a key network of key sport volunteers across the province.

Performance Measures	Actuals				Variance and/or Comments Related to Measures	Current Target	Target Year 2	Target Year 3
	09 / 10 Terrace 2010 Winter	10 / 11 Township of Langley 2010 Summer	11 / 12 Greater Vernon 2012 Winter	12/13 Surrey 2012 Summer		12/13 Surrey 2012 Summer	13/14 Mission 2014 Winter	14/15 Nanaimo 2014 Summer
Volunteers use and value online tasks, samples, and protocols to effectively manage their BC Games[1].	63% satisfaction rating of online resources.	83% satisfaction rating of online resources.	93% satisfaction rating of online resources.	83% satisfaction rating of online resources.	Consistently high rate of satisfaction is testament to the enthusiasm volunteers bring to the project, while recognizing the thoroughness and professionalism of our approach to volunteer management.	85% satisfaction.	85% satisfaction	85% satisfaction
Head coaches attending the BC Winter and BC Summer Games are certified to the required National Coaching Certification Program level II.[2]	76% of coaches were certified to required standard.	91% of coaches were certified to required standard.	88% of coaches were certified to required standard.	92% of coaches will be certified to required standard.	80% of head coaches attending a BC Games are new each year. High levels of coach certification provide athletes with competent and effective support, helping them to perform at their best. This certification standard also brings increased coaching skills back to home communities.	85% of coaches will be certified to required standard.	80% of coaches will be certified to required standard.	85% of coaches will be certified to required standard.

[1] statistics gathered from volunteers using Zoomerang survey tool
[2] coaching information provided by Provincial Sport Organizations and/or Coaching Association of BC

BC Winter and BC Summer Games athletes and coaches move on to higher levels of competition including the Canada Games. [3]	51% (149) athletes and 65% (30) coaches attending the 2009 Canada Summer Games were BC Games alumni. (53% of entire team).	55% (133) athletes and 63% (29) coaches attending the 2011 Canada Winter Games were BC Games alumni. (57% of entire team).	41% (183) participants at the 2011 Western Canada Summer Games were BC Games alumni.	2013 Canada Summer Games to include 60% BC Games alumni. Measurement to be taken Sept. 2013.	No Team BC Games events in this fiscal.	2013 Canada Summer Games to include 60% BC Games alumni. Measurement to be taken Sept. 2013.	No Team BC Games to measure in this fiscal.	Expect 70% of the 2015 Canada Winter Games to have BC Games experience.
Legacies from BC Winter and BC Summer Games include new sport club development, trained volunteers, and facility upgrades[4].	1807 volunteers were recruited and trained. Direct cash investment in sport was $68,255. Legacy investment as $63,687.	2599 volunteers were recruited and trained. Direct cash investment in sport was $67,900. Legacy investment was $75,319.	2210 volunteers were recruited and trained. Direct cash investment in sport was $68,004. Legacy investment was $119,408.	2850 volunteers were recruited and trained. Direct cash investment in sport was $45,753. Legacy investment was $139,517.	These three areas were key contributors to the overall success of the BC Summer Games. The investment in sport from the Games budget was lower than target but, the City of Surrey invested $600,000 towards capital improvements at sport facilities.	Anticipated volunteer recruitment to be 3100. Investment in sport equal to $80,000. Legacy investments post Games anticipated to be $75,000.	Anticipated volunteer recruitment to be 2300. Investment in sport equal to $60,000. Legacy investments post Games anticipated to be $65,000.	Anticipated volunteer recruitment to be 3100. Investment in sport equal to $80,000. Legacy investments post Games anticipated to be $75,000.

[3] Team BC data provided by the Sport Branch, Ministry of Community, Sport and Cultural Development
[4] figures taken from host community audited statements

GOAL 2 – ENTREPRENEURIAL ACTIVITIES

Objectives

To ensure the financial sustainability and enhancement of the BC Games through entrepreneurial activity by increasing the level of non-governmental fiscal support of the BC Winter and BC Summer Games.

Key Strategies

Establish new and maintain existing corporate partners through delivery on our contractual obligations.
Provide supportive documentation and event management to Host Societies to recruit and develop local financial and/or in-kind support.

Performance Measures	Actuals[5]				Variance and/or Comments related to measures	Current Target	Target Year 2	Target Year 3
	09 / 10 Terrace 2010 Winter	10 / 11 Township of Langley 2010 Summer	11 / 12 Greater Vernon 2012 Winter	12/13 Surrey 2012 Summer		12/13 Surrey 2012 Summer	13/14 Mission 2014 Winter	14/15 Nanaimo 2014 Summer
Corporate Partners provide cash and in-kind services to offset budgeted expenditures.								
AC Jazz	Completed 1st year with AC Jazz.	Completed 2nd year with Jazz Air.	Contract renegotiated for 2-year agreement	Completed second year of agreement.	AC Jazz partnership limited to charter aircraft only. Savings of $9615 on contract	Complete second year of agreement.	Renegotiate with Jazz Air for two-year deal.	Jazz Air continues with second year of two-year deal.
Global BC	Provided $95,061[6] of coverage.	Provided $237,000[7] of coverage.	Provided $269,000 of coverage.	Provided $280,124 of coverage.	Global BC continues to support the BC Games with production, promotional time, and news coverage.	Continue second year of ongoing agreement.	Continue third year of ongoing agreement.	Continue fourth year of ongoing agreement.
Telus	TELUS concluded its partnership March 31, 2009.							
BC Lottery Corporation	BC Lottery Corp. signed to one-year deal valued at $35,000.	BC Lottery Corp. signed to one-year deal valued at $35,000	Agreement not renewed as of January 2011		Community investment dollars now targeted to other purposes. Overall society budget reduced to reflect loss of revenue.			
CN	CN provided $60,000 through 1-year agreement.	CN declined opportunity to extend.	Negotiations begin for agreement for 12/13.	CN signed a 1-year, $60,000 agreement.		CN provides $60,000 through a one-year agreement.	Renegotiate with CN for a one-year agreement.	

[5] sources for financial figures from respective corporate contracts and community audited statements.
[6] Global's valuation of airtime on CHAN (48% primetime). Lower number in this fiscal due to airtime provided to Olympic coverage and loss of affiliation with CHEK TV in Victoria.
[7] Global's valuation of airtime on CHAN. 44% of ad exposure was in primetime. News coverage accounted for estimated $90,000 of total value.

Black Press			Black Press signed 4 year agreement. $165,000 advertising value for 2012 Winter Games.	Completed 2nd year of agreement. $183,000 advertising value for 2012 Summer Games.		Complete 2nd year of 4-year agreement.	Complete 3rd year of 4-year agreement.	Complete 4th year of 4-year agreement.
Host Community budgets are supported by local government and business through cash and in-kind contributions.								
	Received $95,083 cash and $484,200 value in-kind.	Received $35,391 cash and $287,236 value in-kind.	Received $162,800 cash and $494,000 value in-kind.	Received $105,938 cash and $320,340 value-in-kind.	Leveraging the provincial investment to this degree is attributable to the dedication of the President and Vice President and the support of the business community.	Surrey receives $60,000 cash and $500,000 value-in-kind.	Mission receives $40,000 cash and $300,000 value-in-kind	Nanaimo receives $60,000 cash and $500,000 value-in-kind

Management Discussion and Analysis

Assessment of Results of Operations and Changes in Financial Conditions

Summary Financial Outlook 2011/12 to 2015/16 in 1000's	11/12 Actual	12/13 Budget	12/13 Actual	Budget Variance	Year[8] Variance	13/14 Forecast	14/15 Forecast	15/16 Forecast
Revenues	2,160	2,057	2,160	103	0	2,122	2,057	2,122
Ministry Grant	230	535	609	74	379	225	405	225
Other Revenues								
Total Revenues	**2,390**	**2,592**	**2,769**	**177**	**379**	2,347	2,462	2,347
Expenditures								
Grants	670	770	869	99	199	465	12	465
Games Operations	437	605	554	(51)	117	562	1,123[9]	562
Overhead[10]	1,199	1,217	1,207	(10)	8	1,320	1,327	1,320
Total Expenses	**2,306**	**2,592**	**2,630**	**38**	**324**	**2,347**	**2,462**	**2,347**
Operating Income (Loss)	84	0	139	**139**	**55**	0	0	0
Accumulated surplus, beginning of the year	562	646	646			785	785	785
Accumulated surplus, end of the year	**646**	**646**	**785**			**785**	**785**	**785**
FTEs	**9**	**9**	**9**			**9**	**9**	**9**
Capital Expenditures	**34**	**19**	**31**			**35**	**35**	**35**

[8] variances due to comparisons between BC Winter and BC Summer Games
[9] participant travel to Vancouver Island results in higher operating costs
[10] includes salaries of $594,041 & rent and utilities of $77,520

FINANCIAL REPORT

Honouring the provincial investment made to the BC Games Society, a balanced budget was our objective when our Service Plan was approved last spring, and we can report an unanticipated surplus of $138,968 for the year ending March 31. Of this surplus, $10,008 is attributable to savings throughout the BC Games Society annual budget and $128,960 coming from earlier than anticipated legacy returns from the Surrey 2012 BC Summer Games. It should be noted that the Surrey legacy return was budgeted in the 2013 / 2014 fiscal year; however, audit timing resulted in the surplus being recognized on the BC Games Society's books in this 2012/13 fiscal year. In accordance with the *Budget Transparency and Accountability Act*, these residual dollars are now placed in our retained earnings, to be used exclusively for capital projects of the BC Games Society.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to our long-term financial health. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets consider the strategic objectives of our annual Service Plan, increasing operating expenses and the geographic locations of the communities in which Games are being hosted. Total expenditures for the fiscal year ending March 31, 2012 were $2,399,797. Grants to our hosting cities accounted for $817,000 of that total, with $539,327 funding the participants' bus and air travel to and from the Surrey 2012 BC Summer Games.

Helping keep our Society's budget balanced was the exemplary work done during the Surrey 2012 BC Summer Games. Not only did the Surrey Games Board manage their resources effectively and efficiently, they also recruited wonderful support from their business community as was noted in the letter from the Chair. It can be argued that a non supportive business community in any of our host cities could lead to a financial deficit for this Society.

MAJOR RISKS AND OPPORTUNITIES

Over the fall, the Society was pleased to receive multiple bids to host our BC Winter and BC Summer Games for the years 2016 and 2018. These bids indicated strength in our product, and the notion that communities see the BC Winter and Summer Games as an opportunity for growth and vitality. Awarding the BC Games to Penticton, Abbotsford, Kamloops, and the Cowichan Valley means we will continue to take the BC Games brand of community and sport development to four more diverse regions of the province.

We continue to be strongly supported by our corporate family of Black Press, Jazz Aviation, Global BC, and CN. Black Press' coverage of pre and Games time activities continues to educate and entertain their readers, while Jazz eases the travel of many Games participants with their fleet of Bombardier aircraft. CN returned to us for this past fiscal year, again seeing the benefits of investing where they work. Global BC provides the Games with prime time coverage, bringing sport into British Columbia homes each day. As we are each year, we remain positive that we will continue to keep our partners, while adding new ones to help leverage government's investment.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the Society as at March 31, 2013 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.

Kelly Mann
President and CEO

Marlon Badesso, BComm, CA
Hutcheson & Co.

Financial Statements of

BC GAMES SOCIETY

Year ended March 31, 2013

CHARTERED
ACCOUNTANTS

DICKSON
DUSANJ
& WIRK

CHARTERED
ACCOUNTANTS

AUDITORS' REPORT

To: The Board of Directors of the BC Games Society

The Minister of Community, Sport & Cultural Development

Report on Financial Statements

We have audited the accompanying financial statements of BC Games Society (the "Society"), which comprise the statement of financial position as at March 31, 2013 and the statements of operations and accumulated surplus and changes in net financial assets and cash flows for the year ended March 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2013 and the results of its operations and changes in net financial assets and cash flows for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a consistent basis.

Dickson Dusanj & Wirk

Victoria, B.C.
May 16, 2013

Chartered Accountants

Management's Report

Management's Responsibility for the Financial Statements

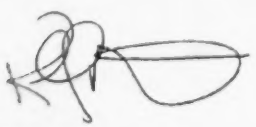
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities, in part, through the Audit Committee. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Dickson Dusanj & Wirk Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of BC Games Society and meet with the Audit Committee at least annually. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of BC Games Society



Kelly Mann
President and Chief Executive Officer

BC GAMES SOCIETY

Statement of Financial Position

March 31, 2013, with comparative figures as at March 31, 2012

		2013	2012
Financial assets			
Cash and cash equivalents		$ 578,130	$ 654,817
Accounts receivable		131,042	12,300
Due from government organizations	(Note 4)	13,012	54,879
		722,184	721,996
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	84,903	229,085
		84,903	229,085
Net financial assets		637,281	492,911
Non-financial assets			
Tangible capital assets	(Note 6)	144,299	152,389
Inventories held for use		3,724	1,036
		148,023	153,425
Accumulated surplus		$ 785,304	$ 646,336

Contractual obligations (note 10)

See accompanying notes and supplementary schedules to financial statements.

APPROVED BY THE BOARD

Director

Director

BC GAMES SOCIETY

Statement of Operations and Accumulated Surplus

Year ended March 31, 2013, with comparative figures for 2012

	Budget (Note 2(j))	2013	2012
Revenue:			
Province of British Columbia grants	$ 2,002,000	$ 2,105,000	$ 2,105,000
Athlete registration	350,000	307,070	150,402
Contractual revenues	12,000	2,239	18,482
BC Senior Games Service Agreement	55,000	55,000	55,000
Funding partners	100,000	60,000	-
Interest earned	3,000	9,456	-
Surplus recoveries	65,000	230,712	61,316
Souvenirs	5,000	-	-
	2,592,000	2,769,477	2,390,200
Expenses:			
Administration (Note 9)	1,217,000	1,207,385	1,198,739
Games operating costs	605,000	553,624	437,347
Operating grants	770,000	869,500	670,000
	2,592,000	2,630,509	2,306,086
Annual surplus	-	138,968	84,114
Accumulated surplus, beginning of year (Note 3)	646,336	646,336	562,222
Accumulated surplus, end of year	$ 646,336	$ 785,304	$ 646,336

See accompanying notes and supplementary schedules to financial statements.

BC GAMES SOCIETY

Statement of Changes in Net Financial Assets

Year ended March 31, 2013, with comparative figures for 2012

	Budget (Note 2(j))	2013 Total	2012 Total
Annual surplus	$ -	$ 138,968	$ 84,114
(Acquisition) of tangible capital assets	(19,000)	(30,775)	(33,919)
Amortization of tangible capital assets	40,000	38,865	37,157
	21,000	8,090	3,238
Acquisition of inventories held for use	-	(6,448)	(2,811)
Consumption of inventories held for use	-	3,760	4,350
Use of prepaid expense	-	-	7,447
	-	(2,688)	8,986
Increase in net financial assets	21,000	144,370	96,338
Net financial assets, beginning of year	492,911	492,911	396,573
Net financial assets, end of year	$ 513,911	$ 637,281	$ 492,911

See accompanying notes and supplementary schedules to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Cash flow derived from (applied to):		
Operating:		
Sources of cash:		
Grants	$ 2,105,000	$ 2,105,000
Other	381,609	168,884
Surplus recoveries	101,752	-
Funding	55,000	55,000
Interest	9,381	-
Uses of cash:		
Salaries and benefits	(725,192)	(735,125)
Operating	(169,966)	(149,794)
Administration	(210,809)	(324,351)
General	(564,187)	(437,156)
Grants	(1,044,500)	(433,684)
Net change in cash from operating activities	(61,912)	248,774
Capital activities:		
Cash used to acquire tangible capital assets	(14,775)	(30,138)
Net change in cash and cash equivalents	(76,687)	218,636
Cash and cash equivalents, beginning of year	654,817	436,181
Cash and cash equivalents, end of year	$ 578,130	$ 654,817

See accompanying notes and supplementary schedules to financial statements.

1. Nature of Operations

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 85% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated from corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

BC Games Society is exempt from income taxes under the Income Tax Act.

2. Summary of significant accounting policies

The term "Society" is used to mean the BC Games Society

(a) Basis of accounting:

The accompanying financial statements are prepared in accordance with Public Sector Accounting Board standards of the Canadian Institute of Chartered Accountants (CICA) without any PS4200 elections.

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(c) Financial instruments

The Society's financial instruments include cash and cash equivalents, accounts receivable, amounts due from government organizations, accounts payable and accrued liabilities.

All financial instruments are measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Operations and accumulated surplus when these financial instruments are derecognized due to disposal or are impaired. Transaction costs related to the acquisition of these financial instruments are included in the cost of the related instruments.

The Society does not have any financial instruments, such as portfolio investments that are quoted in an active market or derivative instruments, which are valued at fair value, and therefore, no Statement of Remeasurement of Gains and Losses has been included.

2. Summary of significant accounting policies (continued)

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives, as follows:

Asset	Basis	Rate
Computers and application software	Straight Line	3 – 5 Years
Registration software and computer cabling	Straight Line	5 Years
Bedding, torch, flags and signs for Host Societies	Straight Line	12 years
Furniture and equipment	Straight Line	10 years
Leaseholds	Straight Line	over the term of the lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Society's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art, historic assets, and intangibles

Works of art, historic assets, intangible assets and items that have been purchased, developed, or inherited in right of the Crown are not recorded as assets in these financial statements.

(iii) Inventories held for use

Inventories held for use are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties. Replacement cost is the estimated current price to replace the items.

2. Summary of significant accounting policies (continued)

(e) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred and gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Donated or discounted goods and services are recorded at fair value.

Receipt of surplus from Summer and Winter Games Societies are recorded at the earlier of cash receipt and final determination of the amount of the surplus.

Investment income includes interest recorded on an accrual basis, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other-than-temporary.

(f) Provincial contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

(g) Legacy Funds – Host Communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(h) Grants to Host Societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

2. Summary of significant accounting policies (continued)

(i) Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Key areas where management has made estimates and assumptions include those related to the useful life of tangible capital assets and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(j) Budget figures

Annual budget figures are determined by the Society's CEO based on approved funding available, as well as the geographical location of the Society's upcoming games to reflect travel and accommodation expenses for staff and athletes. The Society's budgets for fiscal years 2012 to 2014 were initially approved by the Board of Directors in January 2011 and again in October 2011, when the budget was revised upon finalized provincial funding that was granted to the Society. The initial budget for fiscal 2013 is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets.

Budget figures have not been audited, and are presented for comparative and information purposes.

3. Cash and cash equivalents

	2013	2012
Unrestricted cash	$ 73,569	$ 654,817
GICs	504,561	-
	$ 578,130	$ 654,817

4. Due from other government organizations

The amount due from other government organizations pertains to Harmonized Sales Taxes (HST) which has been paid on the Society's purchases and expenses, net of HST collected from athlete registration revenue.

5. Accounts payable and accrued liabilities

	2013	2012
Trade accounts payable	$ 32,124	$ 182,176
Salaries and benefits payable	20,736	20,618
Accrued vacation pay	10,043	6,291
Other accrued liabilities	22,000	20,000
	$ 84,903	$ 229,085

6. Tangible capital assets

	Registration software	Application software	Computers	Bedding, torch, flags and signs for Host Societies	Furniture and equipment	Cabling	Leasehold improvements	2013 Total
Cost								
Opening Balance	$329,881	$18,913	$23,049	$181,966	$49,755	$8,436	$21,444	$633,444
Additions	16,000	1,928	12,344	-	503	-	-	30,775
Disposals	-	-	(10,375)	-	-	-	-	(10,375)
Adjustments	-	-	-	1,185	(1,185)	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	345,881	20,841	25,018	183,151	49,073	8,436	21,444	653,844
Accumulated amortization								
Opening Balance	306,190	13,145	20,311	99,866	15,508	8,436	17,599	481,055
Amortization	11,532	2,472	3,934	15,248	4,824	-	855	38,865
Disposals	-	-	(10,375)	-	-	-	-	(10,375)
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	317,722	15,617	13,870	115,114	20,332	8,436	18,454	509,545
Net book value	$28,159	$5,224	$11,148	$68,037	$28,741	$-	$2,990	$144,299

During the year, $1,185 was reclassified from furniture to bedding, torch, flags and signs for Host Societies.

6. Tangible capital assets (continued)

	Registration software	Application software	Computers	Bedding, torch, flags and signs for Host Societies	Furniture and equipment	Cabling	Leasehold improvements	2012 Total
Cost								
Opening Balance	$329,881	$18,913	$23,049	$169,522	$32,552	$8,436	$17,172	$599,525
Additions	-	-	-	12,444	17,203	-	4,272	33,919
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	329,881	18,913	23,049	181,966	49,755	8,436	21,444	633,444
Accumulated amortization								
Opening Balance	294,077	10,352	17,184	85,284	11,393	8,436	17,172	443,898
Amortization	12,113	2,793	3,127	14,582	4,115	-	427	37,157
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	306,190	13,145	20,311	99,886	15,508	8,436	17,599	481,055
Net book value	$23,691	$5,768	$2,738	$82,100	$34,247	$-	$3,845	$152,389

7. Financial risk management

The Society has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk and other price risk.

The Board of Directors ensures that the Society has identified its major risks and ensures that management monitors and controls them.

(a) Interest risk

Interest rate risk is the risk that the rate of return and future cash flows on the Society's GIC investments will fluctuate because of changes in market interest rates. The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding investments to maturity.

(d) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

8. Surplus from Host Societies

Surplus from the host societies is comprised of:

	2013	2012
Vernon 2012 Winter Games Society	$ 101,752	$ -
Surrey 2012 Summer Games Society	128,960	-
Langley 2010 Summer Games Society	-	61,316
	$ 230,712	$ 61,316

9. Expenses by object

The following is a summary of expenses by object:

	2013	2012
Advertising and promotions	$ 68,066	$ 48,573
Computer maintenance	8,370	11,390
Amortization	38,865	37,157
Games and operating costs	553,624	437,347
Insurance, leases and utilities	159,911	161,126
Office and business expenses	56,518	66,497
Operating grants	869,500	670,000
Professional services	53,295	31,657
Salaries and employee benefits	720,460	739,995
Travel and accommodation	101,900	102,344
	$2,630,509	$2,306,086

10. Contractual obligations

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. It is responsible for all operating costs associated with the property lease. These operating costs totalled approximately $29,950 in 2013 (2012 - $29,900) and are in addition to the amounts reported below. The Society is also committed to provide funding to host societies for staging of future games events:

	2014	2015	2016	2017	2018
General commitments	$ 243,290	$ 121,671	$ 77,671	$ 77,671	$ 77,671
Host Society commitments	440,000	770,000	450,000	780,000	450,000
	$ 683,290	$ 891,671	$ 527,671	$ 857,671	$ 527,671

11. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year accumulated surplus.